

# KANSAS

CONSUMER PROTECTION  
DIVISION

The seal of the Office of Attorney General of Kansas is a circular emblem. It features a central figure of a woman in a long, flowing dress, holding a scale of justice in her left hand and a sword in her right. Above her head is a sunburst. The words "OFFICE OF ATTORNEY GENERAL" are inscribed around the top inner edge of the circle, and "STATE OF KANSAS" is inscribed around the bottom inner edge. A five-pointed star is positioned on the right side of the circle. A decorative, wavy line in shades of blue and yellow curves across the background of the cover, passing behind the seal.

FISCAL YEAR 2010  
ANNUAL REPORT

Published by the  
Office of Attorney General  
Steve Six

120 SW 10th, 2nd Floor  
Topeka, KS 66612



**STATE OF KANSAS  
OFFICE OF THE ATTORNEY GENERAL**

**STEVE SIX**  
ATTORNEY GENERAL

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Members of the Legislature:

In Fiscal 2010, The Consumer Protection Division received 7, 271 requests to investigate possible violations of the KCPA, and our agents resolved 7,908 requests through either referral to another agency or counsel, or through investigation of the concerns. 234 of the requests resulted in litigation. Without ever bringing litigation, the special agents were able to recover \$739,085 for Kansans. Consumer savings, judgments and restitution for FY 2010 totaled more than \$17 million.

While our country was reeling from the effects of the economic downturn, some individuals and companies sought to exploit the crisis in the mortgage industry for personal profit. Through Operation Homestead my office targeted several companies who were taking advantage of the vulnerable position of distressed homeowners and returned to these consumers the funds unfairly taken through a mortgage rescue scam. In several instances prompt attention from my Consumer Protection staff prevented an unjust foreclosure to allow a homeowner to stay in their home. My office was also able to obtain an agreement with Countrywide, Inc. providing hundreds of Kansans an opportunity to refinance their existing mortgages or to receive a cash settlement in the event that their financial situation rendered the ownership of their existing home unworkable.

December of 2009 our office began providing a formal mediation process with a certified mediator approved through the Kansas Supreme Court. Mediation provides an opportunity for consumers to resolve disputes with businesses while holding down the costs of litigation. Often we are able to offer formal or informal mediation, preserving business relationships and helping consumers in situations that do not lend themselves to litigation or other enforcement efforts.

A portion of the recoveries for settlements involving fraud perpetrated by pharmaceutical companies through the Average Wholesale Price lawsuits went to the Consumer Protection Division for enforcement of the Kansas Consumer Protection Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Six".

Steve Six  
Kansas Attorney General

## **Fiscal Year 2010 (July 1, 2009 through June 30, 2010)**

<b>Number of Investigative Requests Received:</b>	<b>7,271</b>
<b>Number of Investigative Requests Closed:</b>	<b>8,142</b>
<b>Consumer Savings (without litigation):</b>	<b>\$ 739,084.30</b>
<b>Consumer Savings (through litigation):</b>	<b>\$12,176,568.00</b>
<b>Total Consumer Savings:</b>	<b>\$ 12,915,652.30</b>
<b>Judgments Awarded (litigation):</b>	
Restitution ordered	\$ 882,966.90
Restitution / payments direct to consumers	\$ 561,440.00
Penalties/Fees	\$2,680,185.27
<b>Total Consumer Judgment and orders:</b>	<b>\$4,124,592.17</b>
<b>False Claims recoveries</b>	<b>\$ 41,570.00</b>
<b>Antitrust settlements</b>	<b>\$ 307,171.49</b>

## **Total Recoveries and Savings: 17,388,985.96**

### **Top Ten Investigative Requests Received by Category:**

(Excluding "Miscellaneous" and "General Services")

- 1. Collection – By an Agency**
- 2. Credit**
- 3. Telephone - Cramming**
- 4. No-Call**
- 5. Mortgages**
- 6. Auto – Used Vehicles**
- 7. Cell Phones and Services**
- 8. Computer – Internet Sales**
- 9. Account Access Ruse**
- 10. Auto – Repair and Service**

## Number of Investigative Requests Received by Category:

<u>Category</u>	<u>Number Received</u>
Account Access Ruse	164
Advanced Fee Letters	6
Advertising	94
Antitrust (Merger & Acquisition)	5
Antitrust (Monopolization)	74
Antitrust (Price Fixing)	8
Antitrust (Restraint of Trade Agreement)	7
Appliances	42
Auto (Leasing)	8
Auto (Lemon Law)	16
Auto (Motor Homes, RV's & Campers)	6
Auto (New Vehicles)	35
Auto (Repair & Service)	158
Auto (Title Issues)	20
Auto (Used Vehicles)	196
Auto (Warranty Problems)	99
Boats, Boating Equipment & Repairs	6
Book, Record & Tape Clubs	4
Business Opportunity Services	81
Cable Television	38

<b>Cemeteries</b>	<b>10</b>
<b>Cemetery Corporations</b>	<b>1</b>
<b>Charitable Organizations</b>	<b>30</b>
<b>Clothing</b>	<b>19</b>
<b>Collectibles &amp; Antiques</b>	<b>1</b>
<b>Collection (Agency)</b>	<b>484</b>
<b>Collection (Attorney)</b>	<b>46</b>
<b>Collection (Principle Creditor)</b>	<b>118</b>
<b>Computers</b>	<b>52</b>
<b>Computer (Internet Sales)</b>	<b>192</b>
<b>Computer (Online Services)</b>	<b>39</b>
<b>Contests (Mail)</b>	<b>5</b>
<b>Credit</b>	<b>481</b>
<b>Credit Reporting Agencies</b>	<b>47</b>
<b>Data Breach</b>	<b>11</b>
<b>Debt Adjusting</b>	<b>45</b>
<b>Discount Buying Clubs</b>	<b>18</b>
<b>Door-To-Door Sales</b>	<b>39</b>
<b>Education</b>	<b>40</b>
<b>Employment Services</b>	<b>6</b>
<b>Energy Saving Devices</b>	<b>1</b>
<b>Failure to Furnish Merchandise (Other Than Mail)</b>	<b>4</b>
<b>False Claims</b>	<b>5</b>

<b>Farm Implements &amp; Equipment</b>	<b>9</b>
<b>Faxes (Unsolicited)</b>	<b>3</b>
<b>Floor Coverings</b>	<b>9</b>
<b>Food Products</b>	<b>19</b>
<b>Funeral Homes</b>	<b>2</b>
<b>Funeral Plans</b>	<b>6</b>
<b>Furniture</b>	<b>26</b>
<b>Gasoline (Content)</b>	<b>3</b>
<b>Gasoline (Pricing)</b>	<b>15</b>
<b>Health (Services – Doctor, Dentist, Hospitals, etc)</b>	<b>121</b>
<b>Health Spas &amp; Weight Salons</b>	<b>23</b>
<b>Hearing Aids</b>	<b>6</b>
<b>Heating &amp; Air Conditioning</b>	<b>26</b>
<b>Home Construction</b>	<b>22</b>
<b>Home Improvement (Electrical)</b>	<b>5</b>
<b>Home Improvement (General Complaint)</b>	<b>95</b>
<b>Home Improvement (House Painting)</b>	<b>8</b>
<b>Home Improvement (Plumbing)</b>	<b>8</b>
<b>Home Improvement (Roofing)</b>	<b>44</b>
<b>Home Improvement (Siding)</b>	<b>9</b>
<b>Home Improvement (Windows &amp; Doors)</b>	<b>20</b>
<b>Identity Theft</b>	<b>34</b>
<b>Invoice &amp; Billing Scams</b>	<b>24</b>
<b>Jewelry</b>	<b>10</b>

<b>Junk Mail</b>	<b>41</b>
<b>Loan Finders</b>	<b>12</b>
<b>Loan Modification</b>	<b>10</b>
<b>Lottery &amp; Sweepstakes</b>	<b>112</b>
<b>Magazine Subscriptions (Sales)</b>	<b>104</b>
<b>Magazine Subscriptions (Service)</b>	<b>12</b>
<b>Mail Order (Defective Merchandise)</b>	<b>2</b>
<b>Mail Order (Deceptive Practices)</b>	<b>75</b>
<b>Mail Order (Failure to Deliver)</b>	<b>27</b>
<b>Mail Order (Refusal to Make Refunds)</b>	<b>17</b>
<b>Mail Order (Unordered Merchandise)</b>	<b>21</b>
<b>Medical Discount Cards</b>	<b>29</b>
<b>Medical Equipment</b>	<b>13</b>
<b>Miscellaneous</b>	<b>715</b>
<b>Mobile Homes &amp; Manufactured Homes</b>	<b>14</b>
<b>Mortgages</b>	<b>229</b>
<b>Mortgage (Escrow Problems)</b>	<b>1</b>
<b>Motorcycles &amp; Bicycles</b>	<b>41</b>
<b>Moving &amp; Storage</b>	<b>9</b>
<b>Multi-level Marketing &amp; Pyramid</b>	<b>16</b>
<b>Musical Instruments &amp; Lessons</b>	<b>2</b>
<b>Negative Selection</b>	<b>13</b>
<b>Nigerian Letters</b>	<b>61</b>

<b>No-Call</b>	<b>296</b>
<b>Nurseries, Lawn, Gardening and Landscape</b>	<b>11</b>
<b>Nursing Homes</b>	<b>7</b>
<b>Office Equipment &amp; Supplies</b>	<b>3</b>
<b>Overpayment Scam</b>	<b>15</b>
<b>Pest Control</b>	<b>3</b>
<b>Pets &amp; Animals</b>	<b>28</b>
<b>Photo Equipment &amp; Services</b>	<b>4</b>
<b>Photo Studios &amp; Companies</b>	<b>5</b>
<b>Privacy Issues</b>	<b>6</b>
<b>Real Estate (Houses)</b>	<b>31</b>
<b>Real Estate (Other Than Houses)</b>	<b>6</b>
<b>Rebates</b>	<b>21</b>
<b>Satellite Dishes</b>	<b>121</b>
<b>Securities &amp; Investments</b>	<b>27</b>
<b>Security Systems</b>	<b>53</b>
<b>Services (General)</b>	<b>595</b>
<b>Services (Professional)</b>	<b>62</b>
<b>Sporting Goods</b>	<b>18</b>
<b>Stereo Equipment</b>	<b>5</b>
<b>Telephone (800#, 900# &amp; International Calls)</b>	<b>5</b>
<b>Telephone (Cell &amp; Pager Services)</b>	<b>194</b>
<b>Telephone (Cramming)</b>	<b>346</b>
<b>Telephone (Prepaid Phone Cards)</b>	<b>2</b>

<b>Telephone (Service &amp; Long Distance)</b>	<b>95</b>
<b>Telephone (Slamming)</b>	<b>17</b>
<b>Telephone (Solicitations - Business Advertising)</b>	<b>7</b>
<b>Telephone (Solicitations - General)</b>	<b>97</b>
<b>Telephone (Solicitations - Magazines)</b>	<b>2</b>
<b>Televisions &amp; VCR's/DVD/Blue Ray</b>	<b>19</b>
<b>Timeshares (Sales)</b>	<b>63</b>
<b>Tobacco Sales</b>	<b>1</b>
<b>Toys</b>	<b>2</b>
<b>Travel</b>	<b>104</b>
<b>Unauthorized Practice of Law</b>	<b>18</b>
<b>Unsolicited E-mail (Spam)</b>	<b>38</b>
<b>Warranty Problems (Other Than Auto)</b>	<b>30</b>
<b>Water Softeners, Conditioners, Purifiers, etc.</b>	<b>7</b>
<b>Work-At-Home Schemes</b>	<b>23</b>
<b>TOTAL</b>	<b>7,271</b>

**Disposition of Closed Investigative Requests:**

## Requests Closed Without Litigation

<u>Disposition Description</u>	<u>Requests Closed</u>
<b>Inquiry or Information Only</b>	<b>1,562</b>
<b>Referred to Private Attorney</b>	<b>797</b>
<b>Referred to County/District Attorney</b>	<b>28</b>
<b>Referred to Other State Attorney General</b>	<b>344</b>
<b>Referred to Other Kansas Agency</b>	<b>479</b>
<b>Referred to Small Claims Court</b>	<b>143</b>
<b>Referred to Federal Agency (FTC, Post Office, etc.)</b>	<b>431</b>
<b>Referred to Other Country</b>	<b>2</b>
<b>Money Refunded/Contract Cancelled</b>	<b>941</b>
<b>Merchandise Delivered to Consumer</b>	<b>42</b>
<b>Repaired/Replaced Product</b>	<b>63</b>
<b>Mediation Only - No Savings</b>	<b>105</b>
<b>No Reply From Complainant</b>	<b>257</b>
<b>Unable to Locate Respondent</b>	<b>208</b>
<b>Practice Complained of Discontinued</b>	<b>77</b>
<b>Respondent Out of Business</b>	<b>173</b>
<b>No Jurisdiction Under KCPA</b>	<b>161</b>
<b>No Violation</b>	<b>140</b>
<b>Insufficient Evidence</b>	<b>469</b>
<b>Investigative Request Withdrawn</b>	<b>74</b>
<b>Unable to Satisfy Complaint - No Further Action</b>	<b>20</b>

<b>Other</b>	<b>1,233</b>
<b>No Call – Charity</b>	<b>6</b>
<b>No Call – Political</b>	<b>4</b>
<b>No Call – Polling</b>	<b>2</b>
<b>No Call – Established Business Relationship Exempt</b>	<b>8</b>
<b>No Call - Collection Exemption</b>	<b>18</b>
<b>No Call – Affirmative Defense – Error</b>	<b>2</b>
<b>No Call – Affirmative Defense – Business Phone</b>	<b>17</b>
<b>No Jurisdiction – Supplier Declined Mediation</b>	<b>15</b>
<b>No Jurisdiction – Consumer Declined Mediation</b>	<b>84</b>
<b>No Jurisdiction – Consumer &amp; Supplier Declined Mediation</b>	<b>1</b>
<b>Re-Opened</b>	<b>2</b>
<b>TOTAL</b>	<b>7,908</b>

**Requests Closed Through Litigation:**

<b><u>Disposition Description</u></b>	<b><u>Requests Closed</u></b>
<b>Consent Judgment</b>	<b>135</b>
<b>Voluntary Compliance Agreement</b>	<b>9</b>
<b>Dismissed Without Prejudice</b>	<b>4</b>
<b>Dismissed With Prejudice</b>	<b>1</b>
<b>Default Judgment</b>	<b>56</b>

<b>Judgment for State – Injunction Only</b>	<b>9</b>
<b>Judgment for State – Penalties and Restitution Only</b>	<b>5</b>
<b>Judgment for State – Penalties and Injunction Only</b>	<b>1</b>
<b>Judgment for State – Penalties, Restitution and Injunction</b>	<b>14</b>

<b>TOTAL</b>	<b>234</b>
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<b>TOTAL INVESTIGATIVE REQUESTS CLOSED</b>	<b>8,142</b>
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## **Litigation Summary**

State v. Kirkland Young, LLC  
 Shawnee County, 09 CV 1056  
 7/2/2009

The Attorney General entered into a consent judgment with Kirkland Young for violations of the KCPA and the Kansas Credit Services Organizations Act. Defendant engaged in deceptive acts and practices related to mortgage modification services and are not licensed as a credit services organization as required by Kansas law. Kirkland Young agreed to a consent judgment that requires the Defendant to pay \$4,063.00 in restitution and \$6,500.00 in investigative fees. The Defendants are also enjoined from doing business in Kansas indefinitely.

State v. Helping Hands Support Services, Inc.  
 Shawnee County, 09 CV 1057  
 7/2/2009

The Attorney General obtained a Default Judgment against Helping Hands Support Services, Inc. as a result of a lawsuit filed for violations of the KCPA and Kansas Credit Services Organizations Act. Defendant engaged in deceptive acts and practices related to mortgage modification services and are not licensed as a credit services organization as required by Kansas law. The State of Kansas was awarded \$72,750.00 in civil penalties and investigative fees as well as \$2,250.00 in restitution.

State v. Midwestern College, LLC  
 Sedgwick County, 09 CV 2188  
 7/10/2009

The Attorney General filed suit against Midwestern College for running offering classes is not licensed to offer. The petition alleged violations of the KCPA as a

result of these offerings. The Attorney General obtained a default judgment for \$50,000.00 in civil penalties and \$3,700.00 in investigative fees.

State v. George McCoy

Johnson County, 05 CV 8983

7/15/2009

The Attorney General's office re-opened this case when it received a tip that Mr. McCoy was in business in Kansas again in violation of a previous court order. A motion to show cause was filed and granted by the court. The Defendant later agreed to a modified consent judgment that enjoins him from doing business in Kansas. Defendant was also required to pay \$5,000.00 costs, fees and restitution to the Attorney General's office.

State v. Brian K. McKee and McKee Construction Inc.

Kiowa County, 08CV34

7/15/2009

The Attorney General obtained summary judgment against the Defendants for violations of the KCPA related to the solicitation and performance of home repair and construction services. The State of Kansas was awarded \$102,450.00 in civil penalties and fees, and \$196,666.00 in consumer restitution, in addition to injunctive measures regarding business practices.

State v. Rush Properties, Inc.

Johnson County, 09 CV 5820

7/28/2009

The Attorney General entered into a Consent Judgment with Rush Properties, Inc. for violations of the KCPA related to a home mortgage rescue service. The Defendant engaged in "lease back" transactions in which the consumers were promised a chance to save their homes by participation in Defendant's service. Defendant was required to pay \$5,100.00 in fees, forego collection of \$63,434.33 in outstanding rent as consumer restitution, and comply with strict injunctive measures regarding future business practices.

State v. Jerilyn Bredow, Charles Freeman, III, & Freeman Investment Services, LLC

Shawnee County, 09 C 000314

8/12/2009

The Attorney General obtained a Default Judgment against Jerilyn Bredow and Freeman Investment Services, LLC as a result of a lawsuit for not providing a material benefit to consumers in connection with the sale of transportation services. Charles Freeman, III was dismissed from the lawsuit without prejudice. The State of Kansas was awarded \$297,914.25 in civil penalties, investigative fees and restitution. In addition, Bredow and Freeman Investment Services, LLC are enjoined from engaging in consumer transactions as suppliers in the State of Kansas.

State v. White Rock Academy Corporation a/k/a White Rock Academy Inc.

Jewell County, 09CV01

8/17/09

The Attorney General obtained partial summary judgment against the Defendant for violations of the KCPA related to the advertising and operation of a residential facility for troubled youths. The State of Kansas was awarded \$63,500.00 in civil penalties and fees, and \$250,000.00 in consumer restitution, in addition to injunctive measures regarding business practices.

State v. Greg Buggs, d/b/a LGB Heating & Air Conditioning

Kiowa County, 09 CV 4

8/21/09

The Attorney General obtained a Journal Entry of judgment after a motion for summary judgment against Greg Buggs. The case involved violations of the KCPA after Buggs refused to complete work on many homes located in Greensburg, Kansas after accepting payment for services. The State of Kansas was awarded \$32,500.00 in civil penalties and investigative fees as well as \$2,520.00 in restitution.

State v. Secure Account Services, LLC d/b/a Tele-Protect *et al.*

Shawnee County, 09C950

9/28/09

The Attorney General entered into a Consent Judgment with the Defendants related to the solicitation and sale of consumer protection services (i.e. identity theft protection, credit monitoring, fraud recovery assistance), including violations of the Kansas No Call Act. The Defendants agreed to pay \$20,000.00 in civil penalties and investigative fees, in addition to injunctive measures regarding business practices.

State v. Darren Volk, Larry Hedenkamp & Apple Asset, L.C.

Johnson County, 09 CV 05828

9/29/2009

The Attorney General filed suit against Defendants for violations of the KCPA in connection with lease-back/foreclosure rescue transactions. Based on the terms of the Consent Judgment, Defendant paid \$3,500.00 in investigative fees and \$1,500.00 in civil penalties and \$29,135.89 in consumer savings. In addition, the Defendant must comply with strict injunctive measures regarding future business practices.

State v. CFS Enterprises Inc., a/k/a Chad Franklin Suzuki

D. Kan. 08-CV-2412

The Attorney General obtained a stipulated judgment against CFS Enterprises, Inc. for violations of the KCPA. The state won a judgment of \$350,000.00 for restitution and fees. In addition, the Defendant is permanently enjoined from doing business in Kansas.

State v. Dimitt Oil Co. Inc., d/b/a Larry's Oil

Grant County, 09 CV 3

10/1/2009

The Attorney General filed a restraining order which became permanent with the entry of a consent judgment on 10-1-2009. The Defendant had engaged in improper and overbilling related to the delivery of bulk fuel to farmers in several southwest Kansas counties. The Defendant paid \$30,637.23 in restitution to consumers and \$19,362.77 in investigative fees to the Attorney General's office. The Defendant is also permanently enjoined from engaging in bulk fuel deliveries in Kansas.

State v. Chris Dhooghe d/b/a Sweepstakes Publishers of America

Johnson County, 09CV05482

10/7/09

The Attorney General entered into a Consent Judgment with the Defendant related to the solicitation and sale of a prize notification newsletter. The Defendant agreed to pay \$7,000.00 in civil penalties and investigative fees, and \$12.00 in consumer restitution, in addition to injunctive measures regarding business practices.

State v. Liberty Asset Management

Geary County, 09 CV 257

10/8/2009

The Attorney General entered into a Consent Judgment with Liberty Asset Management for violations of the KCPA related to a home mortgage rescue service. The Defendant engaged in "lease back" transactions in which the consumers were promised a chance to save their homes by participation in Defendant's service. The Consent Judgment requires Defendant pay \$17,500.00 in investigative fees, penalties and costs and includes approximately \$9,600.00 in consumer savings. The Defendant must also comply with strict injunctive measures regarding future business practices.

State v. James Thomsen, d/b/a All Pro Remodeling

Clay County, 09 CV 35

10/29/2009

The Attorney General obtained a default judgment against James Thomsen for violations of the KCPA related to the Defendant's failure to complete work on several consumers' homes. Defendant agreed to do basic repair or major remodels to homes, took payment and then never performed the work. The \$90,100.00 judgment includes \$20,100.00 in restitution, \$60,000.00 in civil penalties and \$10,000.00 in fees.

State v. Chad Bailey, d/b/a C&P Coatings

Jefferson County, 09 CV 172

10/30/2009

The Attorney General entered into a consent judgment with Chad Bailey for violations of the KCPA related to door-to-door sales after obtaining a sequestration order against the defendants. The defendant had engaged in door-to-

door sales for driveway and parking lot paving and sealing services without providing the required 3-day right of cancellation notice to consumers. Defendant was required to pay \$4,850.00 in restitution and \$1,000.00 in investigative fees and agree to provide consumers with 3-day cancellation notices in the future.

State v. MyCNGKit Inc. and Kimberly Johnson

Wyandotte County, 09CV630

11/9/09

The Attorney General obtained a Default Judgment against Defendant MyCNGKit Inc. for violations of the KCPA related to the internet sale of compressed natural gas conversion kits. The State of Kansas was awarded \$35,000.00 in civil penalties and fees, and \$19,477.29 in consumer restitution. The Attorney General entered into a Consent Judgment with Defendant Kimberly Johnson related to the same KCPA violations. Defendant Johnson agreed to pay \$3,500.00 in investigative fees, in addition to injunctive measures regarding business practices.

Vonage

11/16/09

The Attorney General entered into a multi-state Assurance of Voluntary Compliance with the Defendant for violations of the KCPA related to the advertising, solicitation and performance of telecommunication and internet access services. The Defendant agreed to pay \$3 million of which Kansas received \$45,000.00 for the enforcement fund and fess, in addition to injunctive measures regarding business practices.

State v. Equity First Financial Corp. and Keith Bourkney

Shawnee County, 09C1878

12/7/09

The Attorney General entered into a Consent Judgment with the Defendants related to the offering of debt management services to Kansas consumers and violations of the Kansas No Call Act. The Defendants agreed to pay \$12,500.00 in civil penalties and investigative fees, and \$995.00 in consumer restitution, in addition to injunctive measures regarding business practices.

State v. Car Finders, Inc.

Johnson County, 09 CV 11052

12/11/2009

The Attorney General entered into a consent judgment with Car Finders, Inc. for violations of the KCPA related to the sale of faulty vehicles, improper warranty notifications, and deceptive advertising. Defendant agreed to pay restitution to the consumer in the amount of \$3,475.00 and investigative fees of \$700.00. Defendant agreed to injunctive language requiring it to provide proper warranty notifications.

State v. Todd Iseton, d/b/a Independent Lightning Protection

Dickinson County, 09 CV 73  
12/14/2009

The Attorney General obtained a Default Judgment against Todd Iseton d/b/a Independent Lightning Protection as a result of a lawsuit filed for violations of the KCPA. The case involved an elderly man, living alone, who was taken advantage of by a door-to-door salesman. The salesman, Todd Iseton, sold the elderly man a lightning protection system (lightning rods) at an inflated rate, and did not provide the man with the required 3-day cancellation notice and contract at the time of sale. The state of Kansas was awarded \$85,700.00 for violations of the KCPA and investigative fees and restitution for the elderly man of \$1,140.94.

State v. Tim Henry d/b/a American Builders and Tim Henry LLC  
Sedgwick County, 09CV1196  
1/12/10

The Attorney General filed suit against the Defendants for violations of the KCPA related to the solicitation and performance of home repair and construction services. The Defendants agreed to injunctive measures regarding business practices.

State v. Blue Harbor Financial, LLC  
Shawnee County, 10C10  
1/13/10

The Attorney General entered into a Consent Judgment with the Defendant related to the offering of debt management services to Kansas consumers and violations of the Kansas No Call Act. The Defendant agreed to pay \$20,000.00 in civil penalties and investigative fees, and \$11,002.00 in consumer restitution, in addition to injunctive measures regarding business practices.

State v. Infinity Funding Group  
Shawnee County, 09 C 1814  
1/28/2010

The Attorney General obtained a default judgment against Infinity Funding Group for violations of the KCPA and Kansas Credit Services Organizations Act. The violations stem from rescue mortgage offerings and offers to negotiate debt without the required licenses. The \$73,850.00 judgment includes \$70,000.00 in civil penalties and \$5,000.00 in investigative fees.

State v. Home Loan Modification Advisors  
Shawnee County, 09 C 1815  
2/3/2010

The Attorney General filed obtained a default judgment against Home Loan Modification Advisors, a California based company, for violations of the KCPA and Kansas Credit Services Organizations Act. The alleged violations stem from rescue mortgage offerings and offers to negotiate debt without the required licenses. The \$75,000.00 judgment includes \$70,000.00 in civil penalties and \$5,000.00 in fees.

State v. Rhueben & Annie Johnson, d/b/a Abee's Killcreek Farms  
Johnson County, 08 CV 9915  
2/4/10

The Attorney General filed suit against Rhueben and Annie Johnson for violations of the KCPA related to pest control services. After a lengthy litigation period, the defendants agreed to dramatically change their business practices, pay \$3,000.00 in fees and \$386.64 in restitution.

State v. Ultimate Motor Cars, LLC *et al.*  
Johnson County, 09CV10696  
2/8/10

The Attorney General filed suit against the Defendants for violations of the KCPA related to the sale of used automotive vehicles in the State of Kansas. The State of Kansas was awarded \$42,600.00 in civil penalties and fees, and \$4,999.00 in consumer restitution.

State v. David Martin Price, *et al.*  
Kansas Supreme Court 09-3181

The Attorney General's office obtained a contempt order against Mr. Price for violating the Supreme Court's previous order not to practice law without a license. The court ordered Price spend 5 days in jail for violating an order to appear in court, and to stay in jail indefinitely or until he signs an order prohibiting him from practicing law without a license. Mr. Price signed the order prohibiting him from practicing law without a license on February 23, 2010 after six months and six days in jail.

State v. Solid Ad Solutions, LLC

Shawnee County, 10 C 285

2/24/2010

The Attorney General's Office entered into a consent judgment with Solid Ad Solutions, LLC, an Arizona company, for deceptive and unconscionable acts related to the sale of web mail and website services. Defendant web mail services to certain elderly individuals who were in an infirm state and unable to understand the transaction. Defendant entered into a \$91,900.00 consent judgment that included \$16,900.00 in restitution to consumers.

State v. National Health Alliance LLC and Greg D. Forsythe

Shawnee County, 10C48

3/9/10

The Attorney General filed suit against the Defendants for violations of the KCPA related to the solicitation and sale of medical discount cards in Kansas. The State of Kansas was awarded \$42,500.00 in civil penalties and fees, and \$499.00 in consumer restitution.

State v. Jeffrey K. Phillips d/b/a Cheyenne Meadows and Jewel Healthcare LLC

Johnson County, 09CV06967

3/29/10

The Attorney General filed suit against the Defendants for violations of the KCPA related to the operation of two assisted living facilities in the State of Kansas. The Defendants agreed to pay \$15,00.00 in civil penalties and investigative fees, and \$13,837.80 in consumer restitution, in addition to injunctive measures regarding business practices.

State v. CureMyDebt.Net, LLC

Shawnee County, 10 C 587

4/22/10

The Attorney General's Office entered into a consent judgment with CureMyDebt.Net, LLC when a consumer complained of not receiving services despite paying for help getting out of debt. The Attorney General's Office was able to stop this company before other consumers were harmed. CureMyDebt.Net was not licensed as a credit services organization in Kansas. Curemydebt.net agreed to never again do business in Kansas and pay \$1,000.00.

State v. Cambridge Who's Who Publishing Inc.

Shawnee County, 09C1530

5/21/10

The Attorney General filed suit against the Defendant for violations of the KCPA related to the solicitation and sale of memberships to a Who's Who registry. The Defendant agreed to pay \$2,500.00 in investigative fees, and \$837.90 in consumer restitution, in addition to injunctive measures regarding business practices.

State v. The Greatest Virtual Office LLC and Sandra Kay Johnson a/k/a Sandra Johnson Adaralegbe

Shawnee County, 10C111

5/24/10

The Attorney General entered into a Consent Judgment with the Defendants related to the offering of work-at-home opportunities to Kansas consumers and violations of the Kansas No Call Act. The Defendants agreed to pay \$20,000.00 in civil penalties and investigative fees, in addition to injunctive measures regarding business practices.

State v. Physicians Health Group Inc. and Laura Leigh Hix a/k/a Laura Smith Hix

Shawnee County, 10C189

6/1/10

The Attorney General filed suit against the Defendants for violations of the KCPA related to the solicitation and sale of medical discount cards in Kansas. The State of Kansas was awarded \$47,500.00 in civil penalties and fees, and \$169.85 in consumer restitution.

State v. Genesis Capital Management, Inc. and David D. Allen

Shawnee County, 09C2012

6/9/10

The Attorney General filed suit against the Defendants for violations of the KCPA related to the offering of debt management services to Kansas consumers and violations of the Kansas No Call Act. The State of Kansas was awarded \$65,000.00 in civil penalties and fees, and \$995.00 in consumer restitution.

## Pending Litigation

State v. Team One Promotions, LLC

Shawnee County, 09C949

Filed 6/17/09

The Attorney General obtained a temporary restraining order against the Defendant for violations of the KCPA related to door-to-door sales of vacuum cleaners. The Attorney General remained in settlement negotiations with the Defendant at the end of FY 2010.

State of Kansas *et al.* v. Affiliate Strategies, Inc. *et al.*

U.S. District Court of Kansas, 5:09CV04104-JAR-KGS

Filed 7/20/09

The Attorney General, along with three other states, and the Federal Trade Commission filed suit against the Defendants for violations of the KCPA, the Telemarketing Sales Rule and the FTC Act related to the telemarketing of grant writing products and services. This case was still pending at the end of FY 2010.

State v. Bid's N More, Inc. and Roger L. Porter, Jr.

Shawnee County, 09C1661

Filed 10/21/09

The Attorney General filed suit against the Defendants for violations of the KCPA related to the sale of used automotive vehicles in the State of Kansas. The Court granted the Attorney General's request for a temporary restraining order and the case was still pending at the end of FY 2010.

State v. Charles H. Moore d/b/a 4-Auto Parts.com and 4 Auto Parts, LLC

Johnson County, 09CV10695

Filed 11/25/09

The Attorney General filed suit against the Defendants for violations of the KCPA related to the internet sale of used automotive parts. The Court granted the Attorney General's request for a temporary restraining order and the case was still pending at the end of FY 2010.

State v. Publisher's Renewal Service Co, *et al.*

Johnson County, 09CV11613

Filed 12/30/09

The Attorney General filed suit against the Defendants for violations of the KCPA related to the telemarketing of a magazine subscription service and violations of the Kansas No Call Act. The case was still pending at the end of FY 2010.

## **Antitrust Actions**

### ***United States of America, et al. v. Verizon Communications, Inc. and Alltel Corporation***

DATE FILED: October 30, 2008

COURT: District of Columbia

The Attorney General, the Attorneys General of six other states and the United States Department of Justice, filed suit alleging the merger of Verizon and Alltel would lessen competition in interstate trade and commerce for mobile wireless telecommunications services in 94 U.S. cellular market areas resulting in higher prices and lower quality of service for cellular users. The judge approved settlement requiring divestiture of affected cellular market areas, including seven in western Kansas. Verizon negotiated purchase agreements for the divested assets with AT&T. The company received final regulatory approvals for divestiture in late June 2010.

### ***State of Florida, et al. v. Abbott Laboratories, Fournier Industrie et Sante, and Laboratories Fournier, S.A.***

DATE FILED: March 18, 2008

COURT: District of Columbia

The Attorney General, with 17 other states, and the District of Columbia filed suit against Abbott Laboratories, Fournier Industrie et Sante, and Laboratories Fournier, S.A. alleging unlawful monopolization of the fenofibrate market. Seven additional states joined the litigation in an amended filing. At the center of the litigation is the drug, TriCor, which is used to regulate triglyceride and cholesterol levels. The complaint alleges Defendants took anticompetitive steps to ensure that generic competition with TriCor was avoided, including sham patent litigation, forced market switches to product reformulations, and interference with normal and customary methods of generic channels of distribution. Litigation was initially stayed pending resolution of the direct purchaser privation litigation. In early 2009, the stay was lifted and discovery commenced. In October 2009, parties requested a second stay of litigation to facilitate coordination of a settlement. A \$22.5 million multi-state settlement was executed in late 2009 and approved by the judge in early 2010 settling the matter.

**OFFICE OF ATTORNEY GENERAL  
STATE OF KANSAS**

**STEVE SIX  
ATTORNEY GENERAL**

**CONSUMER PROTECTION DIVISION STAFF**

**Fiscal Year 2010**

**July 1, 2009 through June 30, 2010**

Angela Wilson	Deputy Attorney General
Emilie Burdette	Assistant Attorney General
Lynette Bakker	Assistant Attorney General
Meghan Barnds	Assistant Attorney General
Charles Rutter	Assistant Attorney General
Tai Vokins	Assistant Attorney General
Melissa O'Connor	Paralegal
Sonya Johnson	Outreach Coordinator
Jerry W. Howland	Special Agent Supervisor
Amber Capoun	Special Agent
Natalie Hogan	Special Agent
Sheila Krohe	Special Agent
Erin Land	Special Agent
John Lewis	Special Agent
Samuel Jake Owen	Special Agent
Jim Whittredge	Special Agent
Marcia Shuart	Administrative Assistant
Amber Toy	Administrative Assistant
Christi Somers	Consumer Specialist